

Increased operating expenses would result primarily from the higher cost of information technology (IT) vendor services for the GenTax system and enhancements proposed for the on-line tax services.

Funding

The following table shows program funding, by source for the 2015 biennium as recommended by the Governor.

Total Department Of Revenue Funding by Source of Authority 2015 Biennium Budget - Information Management & Technology Div							
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	MCA Reference	Statutory Category
General Fund	\$24,352,821	\$0	\$0	\$24,352,821	97.0%		
State Special Total	\$249,608	\$0	\$0	\$249,608	1.0%		
02088 Ssr Administrative Funds	\$249,608	\$0	\$0	\$249,608	1.0%		
Proprietary Total	\$502,016	\$0	\$0	\$502,016	2.0%		
06005 Liquor Division	\$502,016	\$0	\$0	\$502,016	2.0%		
Total All Funds	\$25,104,445	\$0	\$0	\$25,104,445	100.0%		
Percent - Total All Sources	100.0%	0.0%	0.0%				

The Information Management and Technology Division is primarily funded with general fund. State special revenue funds support the administration of hail insurance premiums, the livestock per capita fee, and the lodging facilities tax. The proprietary funding is from a direct appropriation of Liquor Control Division proprietary fund and is for the Liquor Control Division share of division support costs. The allocation is a percentage of the program's budget. Liquor Control Division proprietary funds are an indirect use of general fund since net liquor revenues are deposited in the general fund after operating costs are deducted.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Summary by Category								
Budget Item	General Fund				Total Funds			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	11,134,395	11,134,395	22,268,790	91.44%	11,396,135	11,396,135	22,792,270	90.79%
Statewide PL Adjustments	19,556	43,539	63,095	0.26%	136,347	154,892	291,239	1.16%
Other PL Adjustments	517,601	535,767	1,053,368	4.33%	517,601	535,767	1,053,368	4.20%
New Proposals	638,087	329,481	967,568	3.97%	638,087	329,481	967,568	3.85%
Total Budget	\$12,309,639	\$12,043,182	\$24,352,821		\$12,688,170	\$12,416,275	\$25,104,445	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
Fiscal 2014						Fiscal 2015				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					385,689					392,889
Vacancy Savings					(194,680)					(194,966)
Inflation/Deflation					20,669					37,478
Fixed Costs					(75,331)					(80,509)
Total Statewide Present Law Adjustments		\$19,556	(\$1)	\$0	\$136,347*		\$43,539	(\$1)	\$0	\$154,892*
DP 201 - Ongoing System Maintenance and Support Increase	0.00	500,000	0	0	500,000	0.00	500,000	0	0	500,000
DP 205 - Rent and Parking	0.00	17,601	0	0	17,601	0.00	35,767	0	0	35,767
Total Other Present Law Adjustments	0.00	\$517,601	\$0	\$0	\$517,601	0.00	\$535,767	\$0	\$0	\$535,767
Grand Total All Present Law Adjustments	0.00	\$537,157	(\$1)	\$0	\$653,948*	0.00	\$579,306	(\$1)	\$0	\$690,659*

* "Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 201 - Ongoing System Maintenance and Support Increase - The executive requests an increase in general fund to support maintenance activities for the GenTax system. The increase would support increased costs of vendor maintenance.

DP 205 - Rent and Parking - The executive requests \$53,368 in general fund for the 2015 biennium to pay for contractual rent increases for existing lease obligations and increases in rates for downtown parking.

New Proposals

New Proposals										
Fiscal 2014						Fiscal 2015				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 203 - Enhance E-Services for Property and State Taxes										
02	5.00	636,276	0	0	636,276	5.00	327,670	0	0	327,670
DP 6101 - Professional Development Center Fee Allocation										
02	0.00	1,811	0	0	1,811	0.00	1,811	0	0	1,811
Total	5.00	\$638,087	\$0	\$0	\$638,087	5.00	\$329,481	\$0	\$0	\$329,481

DP 203 - Enhance E-Services for Property and State Taxes - The executive requests a general fund appropriation to expand electronic services for property taxes and other non-individual income taxes, while ensuring the security and accuracy of the data. Additionally, to provide the enhanced services the executive requests 5.00 FTE for the 2015 biennium. A portion of this request, \$308,175, would be one-time-only funding.

LFD COMMENT

The new proposal for DP 203 includes \$308,175 in costs that would only be required in FY 2014. The one-time-only costs include consulting and equipment to start the expansion of the E-Services. The legislature may want to consider disaggregating this request and including those costs on a one-time-only basis to reduce the base budget impact of the expansion.

14
PS 179,199
GP 321,706
13,531
308,175 OTD

15
178,936
20,301